

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of a Petition by Greater
Minnesota Gas, Inc. for Authority to
Establish National Gas Rates in
Minnesota

SCHEDULING ORDER

Greater Minnesota Gas has now grown to the point where Minnesota law makes it subject to rate regulation by the Minnesota Public Utilities Commission. Previously, its rates were governed by local governing authorities.

As one of the initial steps in rate regulation by the Commission, Greater Minnesota Gas has filed a request for approval of its existing rates and approval of its bookkeeping systems, schedule of investments and equipment, and similar items which are used in rate regulation. The Company is not seeking a rate increase at this time.

A planning meeting was held in the Commission's offices in St. Paul on Wednesday, September 22, 2004, in order to establish a schedule for the Commission's review of the company's filing.

Appearing on behalf of Greater Minnesota Gas, Inc. was Eric F. Swanson, of the firm of Winthrop & Weinstine, 225 South 6th Street, Suite 3500, Minneapolis, MN 55402-4629. He was accompanied by Ann Tessier, Vice President of Regulatory Affairs & CFO for the company.

Appearing on behalf of the Department of Commerce was Julia Anderson, Assistant Attorney General, 445 Minnesota Street, Suite 1400, St. Paul, MN 55101. She is accompanied by Vince Chavez and Jason Bonnett, of the Department staff.

Appearing on behalf of the staff of the Minnesota Public Utilities Commission were Robert Harding and Jerry Dassinger.

After discussion, all parties agreed to the following schedule:

1. First rate review status report – October 27, 2004.
2. Final day for intervention – November 1, 2004.
3. Parties meet to discuss first status report – November 4, 2004.
4. Public hearings in Mankato Township and St. Peter – November 9, 2004.

5. Second rate review status report – December 9, 2004.
6. Meeting to identify unresolved issues – January 6, 2005.
7. Final rate review report – January 26, 2005.

Public hearings will be held in Mankato Township and St. Peter on November 9, 2004. The exact locations and times will be determined shortly, and will be included in a mailing to all customers. The purpose of those public hearings will be to gather public comment on the company's proposal and on the agreements that have been reached between the Department of Commerce and the company, to the extent they have been finalized.

Persons or entities who have some unusual interest in the matter may want to become formal parties in the case. It is not necessary to become a formal party in order to participate in the public hearings. Currently, the formal parties to the case are the Company, the Minnesota Department of Commerce, and the staff of the Minnesota Environmental Quality Board. Anyone else desiring to become a party must file a Petition to Intervene with the Administrative Law Judge and the existing parties. More details about this process may be found at Minn. Rule pt. 1400.6200, which can be viewed at www.revisor.leg.state.mn.us. Persons who wish to become full parties are urged to file their petitions as soon as possible so they can participate in the proceeding to the greatest extent possible. Under normal circumstances, persons should file no later than November 1, but later filings may be accepted if there is good cause shown.

The parties expressed hope that they would be able to resolve all of the issues by informal negotiations, and that no formal hearings (other than the public hearings) would be required. Since the company is not requesting an increase in its rates at this time, it seems probable that this hope can be achieved. If formal hearings are required, the Administrative Law Judge will issue another prehearing order setting forth details of that process.

Dated this 24th day of September 2004.

S/ Allan w. Klein

ALLAN W. KLEIN
Administrative Law Judge